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AMERICAN INDUSTRY IS OPPOSED TO WAR

An address by

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So that there may be no possible misunderstanding in the mind of a single listener tonight, let me declare emphatically:—"American Industry hates war. American Industry wants peace."

I make this statement so positively, so flatly, because I desire to avoid the possible misunderstandings and equivocations of modifying phrases. Nothing can be clearer than Industry's opposition to war and I know that American manufacturers would have me say it just that way.

For the American people war holds no mystery. We have seen its face. We know its sound and odor. We have no illusions. War destroys lives. War wrecks homes. Economic chaos and years of crushing depression are its inevitable aftermath. It imperils representative Democracy. Free institutions are among its early victims. Ultimately, no one can escape the ruin of war.

Facing such awful facts, let me say with all the conviction at my command: AMERICAN INDUSTRY WANTS PEACE. Peace is the life-blood of progress. Peace must be our national objective.

Industry's position on this matter has been stated repeatedly and there must be no misunderstanding about it.

Just as firmly as I have stated that Industry wants Peace, I now say: THE UNITED STATES CAN STAY OUT OF WAR.

The President of the United States has said that he believes we not only can but that we *will* keep out of war. That is Industry's fervent desire. A public will to peace, coupled with wise public policies and affirmative action to this end by our government will keep us out of war.

Our greatest danger lies in the defeatist, fatalistic and un-American attitude that war for us is inevitable. Such an attitude is absurd. It pre-supposes that after one hundred and fifty years of the most glorious development in the world's history, America cannot now conduct itself intelligently to

preserve peace and to protect the interests of its citizens. We must avoid emotionalism which would betray us into war. As much as you and I are sickened by the brutality and horror of war, we must guard constantly against a psychology that would will us into the shambles of destruction.

We can safeguard ourselves from that real and awful danger by keeping before us this principle: Europe's problems do affect us, but our domestic problems still come first. With that principle we cannot and dare not compromise.

Ours is an industrial nation. Its development and progress have been rooted in a sound industrial system. In Peace industry is the source of prosperity and jobs. In a time like today it is as well the key-stone of preparedness and Peace. Under any conditions and at all times, America depends upon a smoothly functioning, efficient industrial system.

Constructive action to put our domestic economy on a sound basis was necessary yesterday. How much more necessary it is today. It is a first requirement of national defense. Without it, we cannot have the economic basis for internal security and unity which is of first importance at any time. Europe's social and economic upheavals—its class warfare—its restrictions upon personal liberties and free enterprise—have contributed to the present catastrophe. Our greatest contribution to peace on this hemisphere will come through refusing to follow in those footsteps. Let us put full emphasis on the successful operation of our free economy.

It should not be necessary for me to say to you that Industry is a good American citizen. Like other citizens, while it abhors War, it believes profoundly in adequate preparedness for the protection of the American people and for the defense of the American liberties we hold so dear. To that end, the National Association of Manufacturers has been cooperating for months and will continue to work closely with the War and Navy Departments in the coordination of Industry's all important role in the national defense program.

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There can be no real national unity so necessary to the current situation if one party to the unity is misunderstood. One of the common fallacies about industry and war is that industrialists are profiteers. I say to you that profiteering is as repugnant to American industry itself as it is to the public. Let me talk with you for just a moment about "Profiteering."

Industry opposes profiteering. By profiteering I mean the utilization of war psychology to boost prices for the purpose of making unwarranted profits.

But, saying that the manufacturer is against profiteering and will not profiteer must not be taken to mean that there will be no increase in prices.

We all know that in times of great demand, whether created by war or not, prices usually advance, sometimes sharply so. In war periods, for example, the needs of belligerent countries deplete world markets and their abnormal demands plus dislocated supplies and production sources are a material cause of many price rises.

Then too, some consumer demands are created artificially through fear of shortage. The housewife, to use a common example, may rush to buy 100 lbs. of sugar as compared with her normal five pound requirements. Multiplied by a nation, the housewife's action creates an unnatural consumer demand for which the market is unprepared. Sudden and unanticipated demand in excess of available supply is an economic factor in price levels that operates whether we will it or not.

Sometimes there are those who utilize such a situation to profiteer—to extract unfair prices from the public.

It is such action that manufacturers condemn as unfair and reprehensible.

As manufacturers, we recognize it to be our responsibility and moral obligation to conduct our businesses so that the prices we charge for what

we produce and sell are related fairly to production costs.

The N.A.M. has therefore called upon all its members to exercise vigilance against any price or profit policies not justified by actual cost and anticipated costs of replacement.

We pledge our energetic support to this policy.

We reiterate our emphatic belief, expressed several months ago, that—

"No sensible person believes that profit can come out of the wreckage of human life and economic dislocations."

So that rising prices will not be misunderstood by the public, I would call your attention again to the fact that the cost of producing goods is never stable at any time. Industry wishes its production costs were more static. We would welcome some stability in the taxes we pay, in the cost of labor and materials, and all the other factors that enter into the intricate business of manufacturing. We know that such can never be.

In the interest of national unity all American citizens should understand clearly these points bearing on the prices they pay for things they buy:—

- (1) Higher prices do not necessarily mean greater profits.
- (2) Hoarding by consumers always raises prices and hoarding is not controllable by manufacturers, wholesalers or retailers.
- (3) Public speculation in commodity and stock markets is not chargeable to manufacturers.
- (4) Prices of many world commodities entering into manufacturing are beyond domestic control, private or governmental.

The use of the present crisis as an excuse either to extort unjustified profits or to pursue partisan political objectives is not only indefensible and dangerous, but reprehensible morally. Nor should pleas of "emergency" be utilized as an excuse for

reaching objectives which the American people would not otherwise sanction.

The present situation calls for agreement on common objectives; but the democratic process of consultation and criticism must never be abandoned. Otherwise, we shall be following in the footsteps of those who believe in government by coercion.

We may learn many lessons from the war in Europe; that it is dangerous to array class against class, to curtail personal liberties and private enterprise at the whim of government, to abandon laws of government and economics for untried, Utopian experiments, and to saddle peoples and industry with a well-nigh unbearable burden of taxation.

War presents no allurements to that nation where mutual trust prevails as between citizen and government and between the citizens themselves, where private initiative and honest endeavor remain unfettered and government counsels instead of commands.

In a world distraught by force, the best way to preserve representative Democracy is to practice it.

American Industry says: We can and must stay out of War.

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